

SIXTY-SECOND
ANNUAL REPORT OF THE BOARD OF DIRECTORS

OF THE

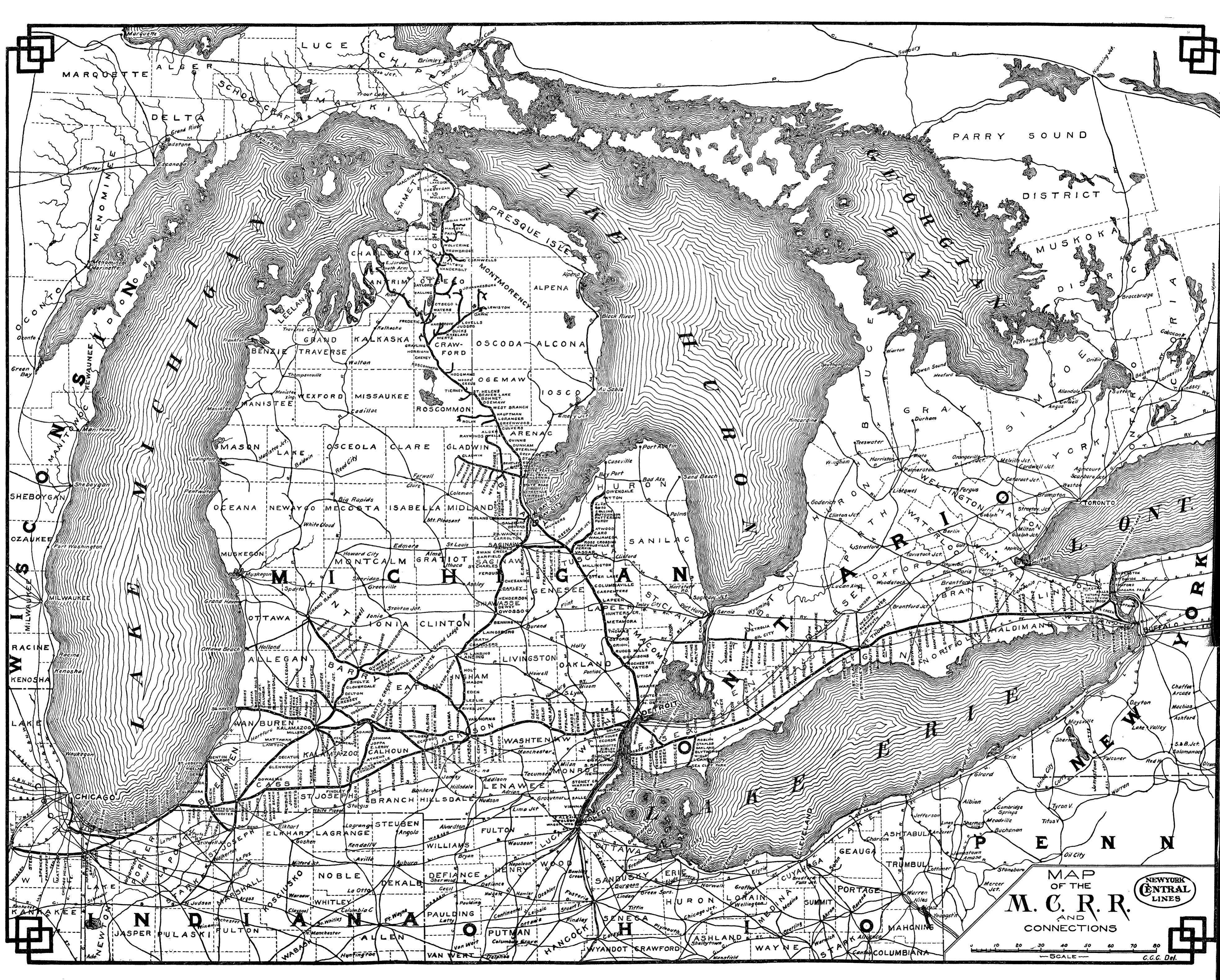
MICHIGAN CENTRAL RAILROAD COMPANY
TO THE STOCKHOLDERS

FOR THE YEAR ENDED

DECEMBER 31 1907



DETROIT
MICHIGAN



MAP OF THE
M. C. R. R.
AND
CONNECTIONS

NEW YORK
CENTRAL
LINES

SCALE

C.C.C. Det.

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OF THE
MICHIGAN CENTRAL RAILROAD COMPANY
TO THE STOCKHOLDERS

FOR THE YEAR ENDED

DECEMBER 31 1907



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MICHIGAN



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ORGANIZATION OF THE MICHIGAN CENTRAL RAILROAD COMPANY

DIRECTORS

Elected at the annual meeting of stockholders held at Detroit, Michigan, May 2, 1907

HENRY B. LEDYARD, <i>Chairman</i>	
WILLIAM K. VANDERBILT	WILLIAM H. NEWMAN
FREDERICK W. VANDERBILT	J. PIERPONT MORGAN
CHAUNCEY M. DEPEW	WILLIAM ROCKEFELLER
SAMUEL F. BARGER	JAMES STILLMAN
HAMILTON MCK. TWOMBLY	WILLIAM C. BROWN
WILLIAM K. VANDERBILT, JR.	GEORGE F. BAKER

EXECUTIVE COMMITTEE

HENRY B. LEDYARD, *Chairman of the Board of Directors**

WILLIAM H. NEWMAN, *President**

WILLIAM K. VANDERBILT	SAMUEL F. BARGER
FREDERICK W. VANDERBILT	HAMILTON MCK. TWOMBLY
J. PIERPONT MORGAN	WILLIAM ROCKEFELLER

JAMES STILLMAN

**Members ex officio*

OFFICERS

President	WILLIAM H. NEWMAN	New York
Senior Vice President	WILLIAM C. BROWN	New York
Vice President	EDWARD V. W. ROSSITER	New York
Vice President	JOHN CARSTENSEN	New York
Vice President	CHARLES E. SCHAFF	Chicago
Vice President	ALBERT H. HARRIS	New York
Vice President	CHARLES F. DALY	New York
Secretary	DWIGHT W. PARDEE	New York
Treasurer	CHARLES F. COX	New York
General Manager	RICHARD H. L'HOMMEDIEU	Detroit
General Superintendent	SHELDON W. BROWN	Detroit
General Supt. M. P., R. S. & M.	JOHN F. DEEMS	New York
Chief Engineer	GEORGE H. WEBB	Detroit
Auditor	A. JUDSON BURT	Detroit
General Purchasing Agent	FRANCIS H. GREENE	New York
Purchasing Agent	JOSEPH F. FARRELL	Detroit
General Freight Traffic Manager	BARRETT B. MITCHELL	Chicago
Freight Traffic Manager	GEORGE H. INGALLS	Chicago
General Freight Agent	WILLIAM C. ROWLEY	Detroit
Passenger Traffic Manager	WARREN J. LYNCH	Chicago
General Passenger Agent	OLIVER W. RUGGLES	Chicago
Advisory Counsel	ASHLEY POND	Detroit
General Attorney	HENRY RUSSEL	Detroit

The annual meeting of stockholders for the election of directors, is held in the city of Detroit, Michigan, on the Thursday following the first Wednesday in May.

REPORT

To the stockholders of

THE MICHIGAN CENTRAL RAILROAD COMPANY:

The Board of Directors herewith submits its report for the year ended December 31, 1907, with statements showing the results for the year and the financial condition of the company.

The report covers the operation of the following mileage:

	<i>Miles</i>
Main line	270.07
Proprietary lines	345.05
Leased lines	1,117.34
Lines operated under trackage rights	<u>14.00</u>
Total road operated	<u>1,746.46</u>

A statement showing in detail the miles of road and track operated will be found upon another page.

The capital stock authorized and issued to December 31, 1907, was \$18,738,000 00

The funded debt outstanding on December 31, 1906, was \$25,265,000 00

It has been increased during the year ended December 31, 1907, by the issue and sale of Michigan Central—Joliet and Northern Indiana fifty-year 4% first mortgage bonds, \$1,500,000.00

Total funded debt December 31, 1907 (detail on another page) \$26,765,000 00

On July 10, 1907, there were issued \$1,500,000.00 of an authorized amount of \$3,000,000.00 Michigan Central—Joliet and Northern Indiana first mortgage fifty-year four per cent. bonds, the proceeds being used to retire \$800,000.00 Joliet and Northern Indiana seven per cent. bonds maturing on that date, and to provide funds for future betterments, improvements and extensions of the property.

On May 1, 1907, this company acquired the entire capital stock of the Detroit and Charlevoix Railroad Company, the road of which extends from Frederic, Mich., to East Jordan, Mich., a distance of 43·50 miles.

During the year there were issued \$10,000,000.00, three year, five per cent. gold notes, maturing February 1, 1910.

Total cost of road and equipment to December 31, 1907	<u>\$35,213,257 09</u>
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This represents per mile owned (270·07 miles) \$130,386

Joliet and Northern Indiana Railroad Construction account was increased	<u>\$791,000.00</u>
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To obtain the locomotives and cars necessary for their immediate requirements, the Michigan Central Railroad Company, together with the New York Central & Hudson River Railroad Company, the Lake Shore & Michigan Southern Railway Company, the Cleveland, Cincinnati, Chicago & St. Louis Railway Company, and the Chicago, Indiana & Southern Railroad Company, has become a party to an equipment trust agreement and lease, dated November 1, 1907, known as "New York Central Lines Equipment Trust of 1907." This agreement provides for an issue of \$30,000,000 of equipment trust certificates; being ninety per cent of the total cost of the equipment to be furnished under the terms of said agreement. The cost of the equipment to be leased under the terms of the agreement by this company will approximate \$4,200,000. Certificates representing ninety per cent of the cost of the equipment delivered prior to December 31, 1907, to all of the railroad companies, parties to the agreement, were issued, and this Company purchased \$1,357,959.72 of such certificates. Delivery of the balance of the locomotives and cars to be furnished under the "trust" agreement will be made during 1908, and the annual report for that year will contain full particulars concerning the character and cost of the equipment.

An agreement was entered into between this company and The Pullman Company, providing for Pullman car service for twenty-five years from January 1st, 1905; also an agreement with The Western Union Telegraph Company, providing for telegraph service for thirty years from January 1st, 1906. These contracts supersede all prior agreements with those companies, and are more favorable in their terms to the railroad company.

SUMMARY OF FINANCIAL OPERATIONS AFFECTING INCOME

	1907	1906	Increase	Decrease
EARNINGS FROM OPERATION	<i>1,746.46 miles operated</i>	<i>1,745.34 miles operated</i>	<i>1.12 miles</i>	
From freight traffic	\$19,926,803 28	\$18,650,229 56	\$1,276,573 72	
From passenger traffic	6,541,102 67	5,928,874 02	612,228 65	
From express traffic	1,241,632 68	901,415 00	340,217 68	
From transportation of mails	429,173 16	454,594 24		\$25,421 08
From rentals	31,786 18	24,862 36	6,923 82	
From miscellaneous sources	376,611 97	315,612 95	60,999 02	
Totals	\$28,547,109 94	\$26,275,588 13	\$2,271,521 81	
EXPENSES OF OPERATION	(81.03%)	(82.70%)		(1.67%)
For maintenance of way and structures	\$4,991,923 14	\$3,489,189 03	\$1,502,734 11	
For maintenance of equipment	4,070,277 11	5,542,578 33		\$1,472,301 22
For conducting transportation	13,503,986 92	12,141,720 64	1,362,266 28	
For general expenses	565,563 48	556,775 99	8,787 49	
TOTAL EXPENSES	\$23,181,750 65	\$21,730,263 99	\$1,401,486 66	
NET EARNINGS	\$5,415,359 29	\$4,545,324 14	\$870,035 15	
OTHER INCOME	702,518 99	402,003 85	300,515 14	
GROSS INCOME	\$6,117,878 28	\$4,947,327 99	\$1,170,550 29	
FIRST CHARGES				
Interest on funded debt	\$2,098,230 00	\$2,073,850 55	\$24,379 45	
Rentals of leased lines	568,200 42	566,310 00	1,890 42	
Taxes	1,008,775 79	1,001,740 70	7,035 09	
Interest on loans, notes and bills payable	702,006 59	317,599 22	384,407 37	
Interest on equipment trust certificates	11,300 00		11,300 00	
Totals	\$4,388,512 80	\$3,959,500 47	\$429,012 33	
BALANCE AVAILABLE FOR DIVIDEND	\$1,729,365 48	\$987,827 52	\$741,537 96	
Cash dividends (in 1907, 8%, in 1906, 5%)	1,499,040 00	936,900 00	562,140 00	
SURPLUS	\$230,325 48	\$50,927 52	\$179,397 96	
From the surplus for the year:—				\$230,325 48
There should be deducted:				
Net amount transferred to the debit of profit and loss, in adjustment of sundry accounts				112,160 03
<i>Amount to credit of Profit and Loss, December 31, 1906</i>				\$118,165 45
				9,012,961 89
				\$9,131,127 34

The gross earnings were \$28,547,109.94, an increase of \$2,271,521.81 over the previous year.

The freight earnings were \$19,926,803.28, an increase of \$1,276,573.72. This was due to an increased movement in nearly all commodities.

The passenger earnings were \$6,541,102.67, an increase of \$612,228.65, due to a general increase in both local and interline business.

The express earnings were \$1,241,632.68, an increase of \$340,217.68.

Earnings from transportation of mails were \$429,173.16, a decrease of \$25,421.08, due to decreased compensation allowed by the United States Post Office Department from July 1, 1907.

The expenses of operation were \$23,131,750.65, an increase of \$1,401,486.66.

This increase is largely due to the higher cost of material, and the increase in rates of pay for labor.

Maintenance of way and structures showed an increase of \$1,502,734.11.

Maintenance of equipment decreased \$1,472,301.22.

Conducting transportation increased \$1,362,266.28.

The principal fluctuations were as follows:

“Fuel for locomotives”, increase \$276,971.53.

“Superintendence”, increase \$45,191.47.

“Loss and damage”, increase \$143,989.71.

“Car mileage and per diem”, increase \$31,016.94.

“Injuries to persons”, increase \$116,633.90.

“Engine and roundhouse men”, increase \$158,883.75

“Switching charges”, increase \$72,462.34.

“Station service”, increase \$156,793.11.

* “Outside agencies”, increase \$120,785.41.

“Train service”, increase \$38,184.20.

“Train supplies and expenses”, increase \$45,119.16.

“Switchmen, flagmen and watchmen”, increase \$128,341.02.

* Changes in method of book-keeping account for a large portion of this increase.

The heavier general expenses are largely due to increase in clerical force and to expenses occasioned by the additional requirements as to reports, etc., for the Interstate Commerce Commission and State Commissions.

The net earnings were \$5,415,359.29, an increase of \$870,035.15.

Other income was \$702,518.99, an increase of \$300,515.14, due to increased revenue from securities and interest on advances.

First charges, \$4,388,512.80, increased \$429,012.33, the principal items being interest on additional bonds issued, and interest on loans.

The profit from operation for the year, after payment of 8% in dividends upon the capital stock, was \$230,325.48, which has been carried to the credit of Profit and Loss.

The following appointments of officials were made during the year:

January 1, Francis H. Greene, General Purchasing Agent.

May 1, Charles J. Hupp, Industrial Agent.

May 1, Chauncy C. Griggs, Assistant General Freight Agent.

May 10, Barrett B. Mitchell, General Freight Traffic Manager.

June 6, Sheldon W. Brown, General Superintendent, succeeding Henry C. Nutt, resigned.

September 26, Joseph F. Farrell, Purchasing Agent, succeeding Sydney B. Wight, promoted,

October 1; Muir B. Snow, Assistant General Superintendent, succeeding James H. Snyder, transferred.

W. H. NEWMAN,
President.

EXPENSES IN DETAIL

MAINTENANCE OF WAY AND STRUCTURES

	1907	1906	Increase	Decrease
Repairs of roadway	\$2,581,839 91	\$1,669,926 89	\$911,913 02	
Renewals of rails	475,535 96	458,121 12	17,414 84	
Renewals of ties	450,280 41	374,386 13	75,894 28	
Repairs and renewals of bridges and culverts	697,161 03	305,111 48	392,049 55	
Repairs and renewals of fences, road crossings, signs and cattle guards	253,524 13	76,190 66	177,333 47	
Repairs and renewals of buildings and fixtures	474,504 89	566,220 15		\$91,715 26
Repairs and renewals of docks and wharves	28,243 83	12,258 50	15,985 33	
Repairs and renewals of telegraph	24,610 26	21,535 52	3,074 74	
Stationery and printing	6,047 72	5,413 58	634 14	
Other expenses	175 00	25 00	150 00	
Totals	\$4,991,923 14	\$3,489,189 03	\$1,502,734 11	

MAINTENANCE OF EQUIPMENT

Superintendence	\$100,892 94	\$86,377 44	\$14,515 50	
Repairs and renewals of locomotives	1,152,106 92	1,761,737 72		\$609,630 80
Repairs and renewals of passenger cars	200,504 31	706,328 68		505,824 37
Repairs and renewals of freight cars	2,316,317 03	2,763,288 92		446,971 89
Repairs and renewals of work cars	69,470 15	68,727 35	742 80	
Repairs and renewals of marine equipment	36,697 29	25,927 61	10,769 68	
Repairs and renewals of shop machinery and tools	97,605 31	53,382 96	44,222 35	
Stationery and printing	7,215 30	6,455 18	760 12	
Other expenses	89,467 86	70,352 47	19,115 39	
Totals	\$4,070,277 11	\$5,542,578 33		\$1,472,301 22

CONDUCTING TRANSPORTATION

Superintendence	\$387,867 58	\$342,676 11	\$45,191 47	
Engine and roundhouse men	1,826,465 89	1,667,582 14	158,883 75	
Fuel for locomotives	2,582,046 93	2,305,075 40	276,971 53	
Water supply for locomotives	93,490 15	75,563 84	17,926 31	
Oil, tallow and waste for locomotives	69,516 47	71,345 35		\$1,828 88
Other supplies for locomotives	22,234 15	18,360 54	3,873 61	
Train service	1,112,997 09	1,074,812 89	38,184 20	
Train supplies and expenses	408,818 90	363,699 74	45,119 16	
Switchmen, flagmen and watchmen	1,038,567 40	910,226 38	128,341 02	
Telegraph expenses	299,355 38	270,069 77	29,285 61	
Station service	1,550,519 89	1,393,726 78	156,793 11	
Station supplies	114,892 45	112,834 32	2,058 13	
Switching charges—balance	554,557 41	482,095 07	72,462 34	
Car mileage and per diem—balance	1,004,680 03	973,663 09	31,016 94	
Loss and damage	350,863 43	206,873 72	143,989 71	
Injuries to persons	224,950 86	108,316 96	116,633 90	
Clearing wrecks	48,685 50	35,085 88	13,599 62	
Operating marine equipment	141,344 47	124,075 70	17,268 77	
Advertising	76,085 87	78,265 24		2,179 87
Carried forward	\$11,907,939 85	\$10,614,348 92		

EXPENSES IN DETAIL (continued)

CONDUCTING TRANSPORTATION (continued)

	1907	1906	Increase	Decrease
<i>Brought forward</i>	\$11,907,939 85	\$10,614,348 92		
Outside agencies	468,171 88	347,386 47	\$120,785 41	
Stock yards and elevators	65,292 80	54,549 12	10,743 68	
Rents for tracks, yards and terminals	700,223 20	820,641 95		\$120,418 75
Rents of buildings and other property	21,116 32	19,357 83	1,758 49	
Stationery and printing	160,241 11	144,186 31	16,054 80	
Other expenses	181,001 76	141,250 04	39,751 72	
Totals	\$13,503,986 92	\$12,141,720 64	\$1,362,266 28	

GENERAL EXPENSES

Salaries of general officers	\$175,310 84	\$154,986 25	\$20,324 59
Salaries of clerks and attendants	236,253 27	193,306 70	42,946 57
General office expenses and supplies	20,371 02	18,025 83	2,345 19
Insurance	37,930 12	36,953 13	976 99
Law expenses	57,798 04	69,498 37	
Stationery and printing (general offices)	16,413 69	14,890 77	1,522 92
Other expenses	21,486 50	69,114 94	
Totals	\$565,563 48	\$556,775 99	\$8,787 49

PERCENTAGE OF OPERATING EXPENSES TO GROSS EARNINGS BY GROUPS

	1907	1906
Maintenance of way and structures	17.49	13.28
Maintenance of equipment	14.26	21.09
Conducting transportation	47.30	46.21
General expenses	1.98	2.12
Totals	81.03	82.70

FIRST CHARGES*Interest on bonds***THIS COMPANY'S BONDS**

Interest at 3½% per annum on Michigan Central First mortgage bonds	\$490,000 00
Interest at 6 % per annum on Grand River Valley First mortgage bonds	30,000 00
Interest at 6 % per annum on Grand River Valley First mortgage bonds	60,000 00
Interest at 5 % per annum on Detroit & Bay City First mortgage bonds	200,000 00
Interest at 5 % per annum on Kalamazoo & South Haven First mortgage bonds	35,000 00
Interest at 4 % per annum on Michigan Air Line First mortgage bonds	104,000 00
Interest at 4 % per annum on Terminal Railroad First mortgage bonds	29,000 00
Interest at 3½% per annum on Jackson, Lansing & Saginaw First mortgage bonds	60,900 00
Total	\$1,008,900 00

LEASED LINE BONDS

Interest at 3% per annum on Bay City & Battle Creek First mortgage bonds	\$7,500 00
Interest at 3% per annum on Battle Creek & Sturgis First mortgage bonds	12,630 00
Interest at 5% per annum on Canada Southern First mortgage bonds	700,000 00
Interest at 5% per annum on Canada Southern Second mortgage bonds	300,000 00
Interest at 4% per annum on Leamington and St. Clair mortgage bonds	5,200 00
Interest at 4% per annum on Toledo, Canada Southern and Detroit First mortgage bonds	64,000 00
Total	\$1,089,330 00
Grand total	\$2,098,230 00

Rentals of leased lines

Jackson, Lansing & Saginaw rental	\$70,000 00
Jackson, Lansing & Saginaw expenses	750 00
Grand River Valley rental	24,560 00
Joliet & Northern Indiana rental	72,890 42
Canada Southern rental	375,000 00
St. Joseph, South Bend and Southern rental	20,000 00
Benton Harbor Extension, etc., rental	5,000 00
Total	\$568,200 42

*FIRST CHARGES (concluded)**Taxes*

ON REAL ESTATE AND PROPERTY (INCLUDING LEASED LINES)

In the State of Michigan	\$840,465 23
In the State of Indiana	61,819 14
In the State of Illinois	38,757 22
In the State of Ohio	11,623 88
In the State of New York	6,652 40
In the Dominion of Canada	45,590 75
Excise tax, State of Ohio	3,867 17
Total	<u>\$1,008,775 79</u>

Summary of first charges

Interest on funded debt	\$2,098,230 00
Rentals of leased lines	568,200 42
Taxes	1,008,775 79
Interest on loans, notes and bills payable	702,006 59
Interest on Equipment Trust Certificates	11,300 00
Total first charges	<u>\$4,388,512 80</u>

DIVIDENDS

Payable July 29, 1907	3% on 187,380 shares of capital stock	\$562,140 00
Payable January 29, 1908, 5%	on 187,380 shares of capital stock	936,900 00
Total	<u>8%</u>	<u>\$1,499,040 00</u>

CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1907

Assets

Cost of road and equipment

Michigan Central Railroad—Main line	\$35,213,257 09
Michigan Air Line Railroad	\$3,299,652 23
Grand River Valley Railroad	2,501,715 87
Jackson, Lansing & Saginaw Railroad	2,599,921 64
Kalamazoo & South Haven Railroad	815,610 24
Detroit & Bay City Railroad	4,168,297 78
Bay City & Battle Creek Railroad	7,171 75
Battle Creek & Sturgis Railroad	330 59
Terminal Railroad, Chicago	823,443 17
Joliet and Northern Indiana Railroad	791,000 00
Total cost of road and equipment	<u>15,007,143 27</u>
	\$50,220,400 36

Securities owned

Stock in sundry companies	\$7,836,866 01
Bonds of sundry companies	3,351,976 00
Equipment trust certificates	1,357,959 72
	<u>12,546,801 73</u>

Other property

Real estate, etc., not used in operation of the road	302,597 18
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Fuel and supplies

2,390,345 69

Current assets

Cash charged Treasurer and Local Treasurer	\$1,318,773 80
Loans and bills receivable	3,783,421 64
Traffic balances receivable	4,252,857 27
Sundry collectible accounts	1,889,891 98
	<u>11,244,944 69</u>
	<u>\$76,705,089 65</u>

CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1907

Liabilities

<i>Capital stock</i>	\$18,738,000 00
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Funded debt

Michigan Central 3½% bonds of 1952	\$14,000,000 00
Michigan Air Line 4% bonds of 1940	2,600,000 00
Grand River Valley 6% bonds of 1909	1,500,000 00
Detroit & Bay City 5% bonds of 1931	4,000,000 00
Kalamazoo & South Haven 5% bonds of 1939	700,000 00
Terminal R. R. 4% bonds of 1941	725,000 00
Jackson, Lansing & Saginaw 3½% bonds of 1951	1,740,000 00
Joliet and Northern Indiana 4% bonds of 1957	1,500,000 00
Total capitalization	26,765,000 00
	\$45,503,000 00

<i>Three year 5% gold notes of 1910</i>	10,000,000 00
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Current liabilities

Wages	\$866,181 92
Loans and bills payable	4,711,111 12
Traffic balances payable	624,596 10
Interest and rentals accrued	594,812 58
Interest unclaimed	25,537 50
Dividend payable January 29, 1908	936,900 00
Dividends unclaimed	5,463 00
Sundry accounts payable	2,269,861 42
	10,034,463 64

Accounts with lessor companies

Canada Southern Railway Company	4,910 67
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Other Accounts

Insurance Fund—buildings	117,962 37
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<i>Items in suspense</i>	1,913,625 63
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<i>Profit and loss</i>	9,131,127 34
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\$76,705,089 65

CAPITALIZATION

Capital stock

Number of shares issued and outstanding	187,380	Total par value issued and outstanding	\$18,738,000 00
Number of shares authorized	187,380	Total par value authorized	\$18,738,000 00
Par value per share	\$100 00		

Amount of capital stock per mile of road owned (270.07 miles) \$69,382.00

Funded debt

Class of bond	Date of issue	Date of maturity	Amount of authorized issue	Amount issued and now outstanding	Rate of interest	Payable on the first days of
Michigan Central First mortgage	1902	May 1, 1952	\$18,000,000	\$14,000,000	3½ %	May and November
Grand River Valley First mortgage	1879	September 1, 1909	500,000	500,000	6 %	March and September
Grand River Valley First mortgage	1886	September 1, 1909	1,000,000	1,000,000	6 %	March and September
Detroit & Bay City First mortgage	1881	March 1, 1931	4,000,000	4,000,000	5 %	March, June, September and December
Kalamazoo & South Haven First mortgage	1889	November 1, 1939	700,000	700,000	5 %	May and November
Michigan Air Line First mortgage	1890	January 1, 1940	2,600,000	2,600,000	4 %	January and July
Terminal Railroad First mortgage	1896	July 1, 1941	1,500,000	725,000	4 %	January and July
Jackson, Lansing & Saginaw First mortgage	1901	September 1, 1951	*2,000,000	1,740,000	3½ %	March and September
Joliet and Northern Indiana First mortgage	1907	July 10, 1957	3,000,000	1,500,000	4 %	January and July 10th
Total amount of funded debt						\$26,765,000

* \$260,000 purchased and retired by the Land Grant Trustees

Amount of funded debt per mile of road

Road	Funded debt	Miles	Amount per mile of road
Michigan Central Railroad	\$14,000,000	270.07	\$51,888
Grand River Valley Railroad	1,500,000	83.79	17,902
Detroit & Bay City Railroad	4,000,000	175.73	22,762
Kalamazoo & South Haven Railroad	700,000	39.50	17,722
Michigan Air Line Railroad	2,600,000	115.16	22,577
Terminal Railroad	725,000	15.34	47,262
Jackson, Lansing & Saginaw Railroad	1,740,000	379.23	4,588
Joliet and Northern Indiana Railroad	1,500,000	45.00	6,667
	\$26,765,000	1,123.82	\$23,816

Treasurer, Grand Central Station, New York

Transfers stock and pays dividends on stock
 Transfers and pays interest on registered bonds
 Pays coupons from Michigan Central first mortgage bonds and bonds due 1951, secured by mortgage on the Jackson, Lansing & Saginaw Railroad
 Pays coupons from Michigan Central 4% bonds due 1957, secured by First mortgage on Joliet and Northern Indiana Railroad
 Pays coupons from all other issue of bonds

Guaranty Trust Company of New York

Union Trust Company of New York

TRAFFIC STATISTICS

FREIGHT CARRIED AND TON MILEAGE

	1907	1906	Increase	Decrease
Tons of freight earning revenue	16,538,163	15,816,491	721,672	
Tons of company freight	<u>1,975,933</u>	<u>1,797,461</u>	<u>178,472</u>	
Total number of tons carried	<u>18,514,096</u>	<u>17,613,952</u>	<u>900,144</u>	
Tons of revenue freight carried one mile	3,027,734,750	2,910,834,923	116,899,827	
Tons of company freight carried one mile	<u>125,603,560</u>	<u>134,069,726</u>		<u>8,466,166</u>
Total number of tons carried one mile	<u>3,153,338,310</u>	<u>3,044,904,649</u>	<u>108,433,661</u>	

DESCRIPTION OF FREIGHT MOVED

PRODUCTS OF AGRICULTURE

Grain	1,055,044	1,081,075	26,031
Flour	240,756	188,155	52,601
Other mill products	218,229	188,251	29,978
Hay	140,684	137,579	3,105
Tobacco	12,399	13,040	641
Cotton	35,182	34,711	471
Fruit and vegetables	240,022	190,899	49,123
Other articles	230,459	239,213	8,754

PRODUCTS OF ANIMALS

Live stock	399,422	361,454	37,968
Dressed meats	248,187	208,367	39,820
Other packing house products	118,014	106,697	11,317
Poultry, game and fish	31,820	22,804	9,016
Wool	11,495	7,214	4,281
Hides and leather	34,692	33,451	1,241
Dairy products	66,034	50,184	15,850
Other articles	25,917	14,250	11,667

PRODUCTS OF MINES

Anthracite coal	1,215,746	960,087	255,659
Bituminous coal	2,827,084	2,760,819	66,265
Coke	193,569	169,334	24,235
Ores	26,639	38,546	
Stone, sand and other like articles	1,615,383	1,559,067	56,316
Other articles	217,214	197,045	20,169

PRODUCTS OF FOREST

Lumber	988,100	1,008,787	20,687
Other articles	1,140,955	1,102,513	38,442

MANUFACTURES

Petroleum and other oils	102,827	109,232	6,405
Sugar	85,890	96,057	10,167
Iron: pig and bloom	197,239	168,991	28,248
Iron and steel rails	30,196	33,035	2,839
Other castings and machinery	630,646	700,866	70,220
Bar and sheet metal	386,822	324,846	61,976
Cement, brick and lime	376,022	365,196	10,826
Agricultural implements	77,210	82,255	5,045
Wagons, carriages, tools, etc	53,583	113,223	59,640
Wines, liquors and beers	36,150	38,651	2,501
Household goods and furniture	39,991	44,972	4,981
Other articles	1,900,813	1,582,178	318,635

MISCELLANEOUS

Other commodities not previously mentioned	1,287,728	1,483,447	195,719
TOTAL	<u>16,538,163</u>	<u>15,816,491</u>	<u>721,672</u>

TRAFFIC STATISTICS (continued)

PASSENGERS CARRIED AND TICKET MILEAGE

	1907	1906	Increase	Decrease
Interline passengers	881,849	874,365	7,484	
Local passengers	3,738,555	3,350,675	387,880	
Commutation passengers	361,227	254,133	107,094	
Total number of passengers carried	4,981,631	4,479,173	502,458	
Passengers carried one mile	312,790,973	277,360,478	35,430,495	

TRAIN MILEAGE

Freight trains	6,903,845	6,624,858	278,987	
Passenger trains, exclusive of straight mail and express trains	5,675,111	5,857,033		181,922
Mail and express trains exclusive	327,200	274,569	52,631	
Mixed trains	309,701	11,280	298,421	
Work trains	341,938	308,055	33,883	
Total train mileage	13,557,795	13,075,795	482,000	

ENGINE MILEAGE

Freight engines	8,594,568	8,478,471	116,097	
Passenger engines	6,447,453	6,271,141	176,312	
Switching engines	5,547,005	5,109,247	437,758	
Work engines	783,479	723,585	59,894	
Total engine mileage	21,872,505	20,582,444	790,061	

CAR MILEAGE

Loaded freight cars	187,027,832	180,608,238	6,419,594	
Empty freight cars (including caboose cars)	71,436,226	68,061,609	3,374,617	
Total freight cars	258,464,058	248,669,847	9,794,211	
Passenger cars	37,893,534	36,546,185	1,347,349	
Work cars	5,655,132	5,925,115		269,983
Total car mileage	302,012,724	291,141,147	10,871,577	
Miles of road, including trackage, operated in freight service	1,746.46	1,745.34	1.12	
Miles of road, including trackage, operated in passenger service	1,700.77	1,699.65	1.12	

TRAFFIC STATISTICS (concluded)

FREIGHT RESULTS

	1907	1906	Increase	Decrease
Earnings from transportation	\$19,412,008 10	\$18,287,092 83	\$1,124,915 27	
from miscellaneous sources	514,795 18	363,136 73	151,658 45	
Total freight earnings	\$19,926,803 28	\$18,650,229 56	\$1,276,573 72	
Earnings per ton	\$1.17	\$1.16	\$0.01	
Earnings per ton per mile	cts. 0.641	cts. 0.628	cts. 0.013	
Earnings per train mile	\$2.69	\$2.76		\$0.07
Earnings per mile of road, trackage included, operated in freight service	\$11,409.83	\$10,685.73	\$724.10	
Density of freight traffic (i. e. tons carried one mile per mile of road)	1,805,560	1,744,591	60,969	
Average number of tons of revenue earning freight carried per train mile	420	439		19
Average number of tons of all freight (including company's) carried per train mile	437	459		22
Average number of revenue tons per loaded car mile	16	16		
Average number of all tons per loaded car mile	17	17		
Average number of miles one ton carried	183	184		1
Average number of miles one ton carried (including company's)	170	173		3
Average number of loaded cars per train mile	25.93	27.22		1.29
Average number of empty cars per train mile	9.90	10.26		.36
Average number of freight cars per train mile	35.83	37.48		1.65

PASSENGER RESULTS

Total earnings from passengers	\$6,422,952 73	\$5,825,882 13	\$597,070 60	
Other passenger train earnings	103,483 43	94,216 19	9,267 24	
From miscellaneous sources	14,666 51	8,775 70	5,890 81	
Total passenger earnings	\$6,541,102 67	\$5,928,874 02	\$612,228 65	
Earnings from mail and express	\$1,670,805 84	\$1,356,009 24	\$314,796 60	
Earnings per passenger	\$1.29	\$1.30		\$0.01
Earnings per passenger per mile	cts. 2.05	cts. 2.10		cts. 0.05
Earnings per train mile	\$1.09	\$1.01	\$0.08	
Earnings per train mile, including mail and express earnings	\$1.30	\$1.18	\$0.12	
Earnings per mile of road operated in passenger service, trackage included (including mail and express)	\$4,827.05	\$4,286.11	\$540.94	
Density of passenger traffic (i. e. passengers carried one mile per mile of road)	183,911	163,187	20,724	
Average number of passenger cars per train mile	4.62	5.95		1.33
Average number of passengers per train mile	52	47	5	
Average number of miles one passenger carried	63	62	1	

TABLE OF TRACKS

MAIN LINE Kensington to Detroit	Miles 270.07	Second track 270.07	Third track 3.00	Fourth track 3.00	Sidings 353.97	Total 900.11
PROPRIETARY LINES						
Detroit & Bay City Railroad	109.00	7.60			43.38	159.98
Bay City & Battle Creek Railway	18.00				8.55	26.55
Battle Creek & Sturgis Railway	33.80				3.69	37.49
Detroit, Delray & Dearborn Railroad	5.96				1.61	7.57
Joliet & Northern Indiana Railroad	45.00				27.48	72.48
Detroit, Toledo & Milwaukee Railroad	66.56				10.09	76.65
<i>Total proprietary lines</i>	<i>278.32</i>	<i>7.60</i>			<i>94.80</i>	<i>380.72</i>
BRANCHES						
On Detroit & Bay City Railroad	66.73				55.08	121.81
<i>Total proprietary lines and branches</i>	<i>345.05</i>	<i>7.60</i>			<i>149.88</i>	<i>502.53</i>
LEASED LINES						
Michigan Air Line Railroad	115.16				45.53	160.69
Grand River Valley Railroad	83.79				20.69	104.48
Kalamazoo & South Haven Railroad	39.50				7.14	46.64
Jackson, Lansing & Saginaw Railroad	295.10	3.44			285.80	584.34
Detroit Manufacturers' Railroad	1.29				1.86	3.15
St. Joseph, South Bend & Southern Railroad	39.44				7.21	46.65
Benton Harbor Extension	1.63				.74	2.37
Canada Southern Railway (in Canada)	226.18	226.18			142.85	595.21
Canada Southern Bridge Company	3.66				1.65	5.31
St. Clair & Western Railroad	14.68				1.40	16.08
Toledo, Canada Southern & Detroit Railway	55.87	3.40			98.04	157.31
<i>Total leased lines</i>	<i>876.30</i>	<i>233.02</i>			<i>612.91</i>	<i>1,722.23</i>
BRANCHES						
On Jackson, Lansing & Saginaw Railroad	84.13				90.17	174.30
On Toledo, Canada Southern & Detroit Railway	3.05				9.13	12.18
On Canada Southern Railway (in Canada)	153.86	16.80			44.96	215.62
	241.04	16.80			144.26	402.10
<i>Total leased lines and branches</i>	<i>1,117.34</i>	<i>249.82</i>			<i>757.17</i>	<i>2,124.33</i>
<i>Total main line, proprietary and leased lines</i>	<i>1,732.46</i>	<i>527.49</i>	<i>3.00</i>	<i>3.00</i>	<i>1,261.02</i>	<i>3,526.97</i>
LINES OPERATED UNDER TRACKAGE RIGHTS						
Illinois Central Railroad, Kensington to Chicago	14.00	14.00				28.00
<i>Grand total, all lines operated</i>	<i>1,746.46</i>	<i>541.49</i>	<i>3.00</i>	<i>3.00</i>	<i>1,261.02</i>	<i>3,554.97</i>

Recapitulation according to States

	Main line	Proprietary	Leased	Otherwise operated	Total
Michigan	221.00	300.05	705.42		1,226.47
Illinois	6.07	29.00		14.00	49.07
Indiana	43.00	16.00	20.23		79.23
Ohio			11.65		11.65
Canada			380.04		380.04
	<u>270.07</u>	<u>345.05</u>	<u>1,117.34</u>	<u>14.00</u>	<u>1,746.46</u>

Gauge of track, 4 feet 8½ inches. Weight of rail, per yard, 52 to 100 pounds

EQUIPMENT

Including Equipment of Leased Lines

LOCOMOTIVES

	1907	1906
For passenger service	142	142
For freight service	266	243
For switching service	136	138
Total locomotives in service	544	523

Average mileage per engine	39,335	39,330
Cost of repairs (excluding renewals) per engine mile	cts. 5·53	cts. 4·40
Cost of fuel per ton	\$2.072	\$2.000
Cost of fuel per engine mile	cts. 12·07	cts. 11·19

CARS IN PASSENGER SERVICE

	1907	1906
Passenger coaches	105	106
Smoking cars	30	30
Combination cars	28	31
Immigrant and excursion cars	76	99
Dining cars	16	17
Buffet and cafe cars	15	15
Mail, express and baggage cars	129	127
Officers' and pay cars	6	6
Other cars in passenger service	13	9
Passenger cars, joint service (M. C. proportion)	3	3
Totals	421	443
Total seating capacity of revenue passenger cars	15,462	17,020
Average mileage per passenger car	87,112 miles	82,447 miles
Cost of repairs (excluding renewals) per passenger car mile	cts. 0·377	cts. 0·615

CARS IN FREIGHT SERVICE

	1907	1906
Box cars	12,106	11,929
Flat cars, common	2,579	2,616
Flat cars, steel	95	95
Stock cars	1,047	818
Coal and coke cars	2,446	2,512
Refrigerator and produce cars	582	594
Caboose cars	296	289
Oil transport cars	35	36
Totals	19,186	18,889
Total capacity of freight cars	604,060 tons	586,895 tons
Average capacity of freight cars	31·98 tons	31·55 tons

CARS IN COMPANY'S SERVICE

	1907	1906
Ballast cars	180	180
Derrick cars	4	4
Steam wrecking cranes	5	6
Cinder and push cars	26	19
Other road cars	572	483
Totals	787	692

MARINE DEPARTMENT

	1907	1906
Ferryboats		
Side wheel, single deck	3	3
Screw wheel, single deck	1	1
Totals	4	4

* Includes 250 cars leased from Mather Stock Car Co.

EQUIPMENT (Continued)

Leased Under Equipment Trust

CARS IN PASSENGER SERVICE

	1907
Smoking cars	6
Combination cars	8
Buffet cars	1
Totals	15
Total seating capacity of revenue passenger cars	874
Average mileage, per passenger car	87,112 miles
Cost of repairs (excluding renewals) per passenger car mile	cts. 0.377

CARS IN FREIGHT SERVICE

Box cars	1915
Flat cars, steel	500
Coal cars	1000
Totals,	3415
Total capacity of freight cars	141,600 tons
Average capacity of freight cars	41.46 tons

CARS IN COMPANY'S SERVICE

Ballast cars	200
Totals	200

*REPORT OF THE LAND COMMISSIONER OF THE JACKSON, LANSING &
SAGINAW RAILROAD COMPANY*

MR. W. H. NEWMAN

DETROIT, MICH., JANUARY 31st, 1908

President Michigan Central Railroad

NEW YORK

DEAR SIR—I respectfully submit herewith annual statement of the business of the Land Department of this company for the year ending December 31st, 1907

LANDS AND SALES

LANDS	Acres	Amount
Unsold January 1st, 1907, according to patents	29,034.00	
Sold during the year	1,384.85	
Unsold at the close of the year	27,649.15	
 Sales		
Lands		\$11,028.78

LAND CONTRACTS

Total amount due on contracts at the close of the year	\$19,474.00
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The sales for the last five years are as follows

	1903	1904	1905	1906	1907
Acres sold	23,712.10	8,076.33	3,786.10	11,096.11	1,384.85
Average per acre	\$0.93	\$2.62	\$3.87	\$2.48	\$7.96
Land sales	\$22,014.40	\$21,137.96	\$14,646.46	\$27,558.29	\$11,028.78
Timber sales			50.00		
Total	\$22,014.40	\$21,137.96	\$14,696.46	\$27,558.29	\$11,028.78

*REPORT OF THE LAND COMMISSIONER OF THE JACKSON, LANSING &
SAGINAW RAILROAD COMPANY (concluded)*

RECEIPTS

Cash on hand January 1st, 1907	\$ 1,945 76
From payments on land contracts and sales	18,504 43
From interest	1,035 58
From trespass	60 00
 Total	 \$21,545 77

DISBURSEMENTS

Deposited to the credit of trustees	\$14,341 90
For taxes	2,223 12
For salaries and commissions	3,505 50
For explorations	22 12
For legal expenses	237 40
For miscellaneous expenses	673 60
Balance	542 13
 Total	 \$21,545 77

NATHANIEL E. SLAYMAKER
Land Commissioner.

Messrs. Ledyard, Russel and Joy, Trustees

Balance on hand end of 1906, as shown by report for that year	\$658 90
Amount received from land commissioner during 1907	14,341 90
Interest on land fund year 1907	156 92
 Cash on hand December 31, 1907	 \$15,157 72